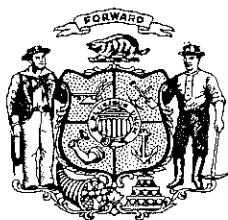


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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Mark Miller
Representative Mark Pocan

Date: March 16, 2010

Re: Department of Children and Families Report on the Wisconsin Shares Program

Attached is a report on the Wisconsin Shares Program from the Department of Children and Families.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

MM:MP:jm

Jim Doyle
Governor

Reggie Bicha
Secretary



State of Wisconsin
Department of Children and Families

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March 15, 2010

Honorable Mark Miller, Senate Co-Chair
Joint Committee on Finance
Room 317 East, State Capitol
Madison, WI 53702

Honorable Mark Pocan, Assembly Co-Chair
Joint Committee on Finance
Room 309 East, State Capitol
Madison, WI 53702

Dear Senator Miller and Representative Pocan:

This letter contains information responding to your request for monthly reports to the Joint Finance Committee on the Department of Children and Families' (DCF) progress with fraud prevention, investigation and overpayment collections related to the Wisconsin Shares program. The data in this report covers February 2010 activities and is the fifth report submitted.

The Department continues to apply evaluation criteria to identify anomalies in provider attendance reporting, payment patterns and licensing requirements that we then use to assign where staff will conduct focused reviews for potential program violations. Suspension of providers based on use of this information, together with referrals from law enforcement, parents, and current and former employees of fraudulent providers also continues.

Following is a summary of February activity.

Wisconsin Shares Fraud Prevention, Detection and Recovery Expenditures, Feb. 2010

Expenditures related to fraud prevention and investigation: \$152,600

The above amount represents the February 2010 costs of the Child Care Fraud Detection and Investigation Unit; information technology programming costs; and an estimate of county expenditures from their DCF fraud allocation related to investigating suspected fraudulent activity.

Expenditures related to recovering overpayments due to error or fraud: \$36,200

The February 2010 expenditures related to recovering overpayments due to error or fraud are estimated above. The Public Assistance Collections Unit (PACU) of DCF coordinates the Department's efforts to collect public assistance overpayments, including Wisconsin Shares, which are attributed to participant error or fraud.

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Senator Mark Miller
Representative Mark Pocan
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Overpayment and/or restitution collected by DCF: \$1,133,687

In February 2010, DCF collected \$1,010,833 in child care overpayments that were the responsibility of the individual for whom the child care subsidy was paid plus \$122,854 in child care overpayments that were the responsibility of child care providers. These collections are the result of ongoing efforts to recover historical overpayments. Most collections to date are due to DCF as a result of an administrative finding that an overpayment has occurred.

Overpayment and/or restitution collected by other agencies: \$0

No overpayments and/or restitution collections have been reported by other agencies in February 2010 to DCF. As previously noted, PACU, through a broad range of collection tools including tax refund intercepts and administrative liens and levies, is the State's primary collection agency for public assistance overpayments.

Providers Suspended from the Wisconsin Shares Program, February 2010

During the month of February, DCF suspended payments to fourteen child care providers. Of the fourteen suspended providers, eight were in Milwaukee County, five were in Racine County and one was from Taylor County. The Department continues to review the details of Milwaukee County suspensions with the Child Care Anti-Fraud Task Force.

Also, during February a total of \$124,623 in overpayments were established in the Department's tracking system against all providers suspended from the Wisconsin Shares program. The cumulative total for overpayments established against suspended providers since January of 2009 to date is now \$2,652,663.

I appreciate this opportunity to provide current information about the work being done to protect the Wisconsin Shares program resources.

Sincerely,



Reggie Bicha
Secretary

cc: Michael Morgan, Department of Administration
Bob Lang, Legislative Fiscal Bureau

Wisconsin Shares Provider Suspensions
February 2010

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Aletta Friedrich dba Children's Dreams Daycare	Taylor	02/27/2010	The Department of Children and Families and Taylor County suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. The suspension was based upon the provider's failure to maintain and submit accurate attendance records as required by the Shares program. Taylor County conducted an investigation and identified that from the period 2/1/10 through 2/5/10, the provider billed for the care of a child for 49 hours, when the child was actually under the care of another child care provider in Marathon County during the same reported period of time. Taylor County's investigation also identified other improper billing to Wisconsin Shares between 7/5/09 and 12/19/09. The suspension was also based upon the provider's failure to have attendance records from 8/30/09 through 10/6/09 available at the child care site when the County requested to review them.	Yes	Overpayment establishment pending per formal investigation completion	No	N/A

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Audrey Rose Inc	Milwaukee	02/13/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. These were identified through quantitative data showing the provider serving 1.5 children per licensed slot. In reviewing the provider's attendance records, significant inaccuracies resulting in overbilling for children were identified. The Department established an overpayment of \$5,898.86 for failing to maintain and submit accurate attendance records as required by the Shares program. The Department's Southeastern Regional Licensing Office denied the provider's application to be a licensed child care provider on 10/8/09, the decision was upheld by an administrative law judge on 1/20/10. No payments were made after this decision was affirmed.	Yes	\$5,898.86	Yes	None to date
Becky's Little Angels	Racine	02/13/2010	DCF and Racine County suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. On 09/29/09, a participant stated to her case worker that she took the summer (June 2009 – August 2009) off to spend time with her the children. Racine County conducted an investigation and determined the participant's children were reported by the child care provider as being in attendance all summer, when they were actually in the care of their mother.	No	Overpayment established pending formal investigation completion	N/A	

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Corey's Angels Child Care Center	Milwaukee	02/06/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. These were identified through quantitative data showing the provider serving 3 children per licensed slot. In reviewing the provider's attendance records, significant inaccuracies resulted in overbilling for children. The Department established an overpayment of \$11,904.62	Yes	\$11,904.62	Yes	None to date
Dolly's Family Day Care	Racine	02/13/2010	DCF and Racine County suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. Racine County conducted an investigation and determined the child care provider was billing Wisconsin Shares for a child who was no longer attending her child care.	Yes	Overpayment establishment pending per formal investigation completion	No	N/A

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Granny Ruthie's Family Day Care	Milwaukee	02/13/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. The Department was unable to obtain access to the provider's day care facility on 7 occasions between 6/26/09 and 10/22/09 during the provider's stated hours of operation. The Department's Southeastern Regional Licensing Office revoked the provider's license to operate a family child care on 10/27/09, the decision was upheld by an administrative law judge on 2/1/10. No payments were made after this decision.	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A
Jenaya Barnes	Racine	02/13/2010	DCF and Racine County suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. Racine County conducted an investigation and determined collusion between child care provider and recipient. Racine County found the provider billing for a child not in attendance and the recipient participated in falsifying child care records.	Yes	Overpayment establishment pending per formal investigation completion	No	N/A
Jennifer Footit	Racine	02/13/2010	DCF and Racine County suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. Racine County conducted an investigation and determined the child care provider was billing for children not in attendance. Racine County found the provider failed to provide any legitimate records or documentation to show they actually provided care for any of the authorized and billed children.	Yes	Overpayment establishment pending per formal investigation completion	No	N/A

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Kiddie Care A-Lot	Milwaukee	02/27/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. These were identified through quantitative data showing the provider billed for over \$13,650.78 annually per child and serving 1,875 children per licensed slot. The suspension was based upon the provider's: 1) failure on two occasions within 10 days to provide access to the day care facility during the provider's stated hours of operation; 2) failure to have attendance records available at the child care site when the department informed the investigator that they had not completed the attendance records for the last 5 days and attempted to begin writing in times on the attendance sheet, before being stopped by the investigator; 3) failure to maintain and submit accurate attendance records as required by the Shares program, the investigator observed that the attendance reports appeared to document a schedule rather than the actual sign in and sign out times for each child in the provider's care; and 4) prior licensing citations for failing to maintain accurate and current attendance records.	Yes	\$431.54	Yes	None to date

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Little Angel Academy 1 FDCS	02/27/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. The suspension was based upon the provider's: 1) failure to have 30 days of attendance records available at the child care site when the department requested to review them; and 2) failure to maintain and submit accurate attendance records as required by the Shares program. In reviewing the provider's attendance records, significant inaccuracies resulting in overbilling for children were identified, the Department established an overpayment of \$45,046.88 for failing to maintain and submit accurate attendance records as required by Shares.	Yes	\$45,046.88	Yes	None to date
Little City Kids LLC	02/13/2010	DCF and Racine County suspended this child care provider from Wisconsin Shares due to a combination of red flags signifying Shares violations. On 05/05/09, Racine County received a fax from customer stating that she ended her children's enrollment at the provider on 01/30/09, which was also the last day her children attended this child care. She received information that the provider was still recording attendance for her children after this date. Racine County conducted an investigation and determined the provider recorded attendance for the customer's children from 01/31/09 - 03/21/09. The sign-in/sign-out sheets show dates and times the children were in attendance but the sheets do not have signatures from the customer confirming these dates and times.	Yes	Overpayment establishment pending per formal investigation completion	No	N/A

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Little Rascals Childcare Academy II	02/06/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. In reviewing the provider's attendance records, significant inaccuracies resulted in overbilling for children. The Department established an overpayment of \$1,861.07 for failing to maintain and submit accurate attendance records as required by the Shares program. The Department was also unable gain access to the day care facility during your stated hours of operation on 11/11/08; 1/20/09; 2/5/09; 2/17/09; 8/6/09; and 12/10/09. The Department gained access to the day care facility on 12/14/09 and requested to view attendance records; the provider did not have the records available at the child care site. The child care provider furnished the records to the Department later that day, but could not provide the last 2 weeks of attendance records.	Yes	\$1,861.07	Yes	None to Date

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Love At First Sight Learning Academy	02/13/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. These were identified through quantitative data showing the provider billed for over \$12,100 annually per child and serving 1.9 children per licensed slot. In reviewing the provider's attendance records, significant inaccuracies resulting in overbilling for children were identified, the Department established an overpayment of \$3,992.53 for failing to maintain and submit accurate attendance records as required by the Shares program. The provider was terminated from the Department of Public Instruction's Child and Adult Care Food Program (CACFP) effective 1/28/09 for being seriously deficient in the operation of the CACFP. The Department has previously issued notices for violating licensing rules and the rules of the Shares program on 9/18/08 and 1/14/10. On 1/14/10, the Department assessed a \$150 forfeiture for failing to maintain and submit accurate attendance records.	Yes	\$3,992.53	None to Date	Yes

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Nurturing R Kiddz Gether LLC	02/27/2010	DCF suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. The suspension was based upon the provider's: 1) failure to provide access to the day care facility during the provider's stated hours of operation, the Department reviewed attendance records that were later collected and the provider reported attendance on the date that investigators were unable to gain access; 2) failure to maintain and submit accurate attendance records as required by the Shares program.	Yes	\$5,387.31	Yes	None to Date